

# **Michigan State Housing Development Authority**

## **NOTICE OF FUNDING AVAILABILITY and General Guidelines for 2004 Emergency Shelter Grants and Rural Homeless Initiative Programs**

**Due Date:  
All Submissions Must Be Postmarked By February 26, 2004**

# NOTICE OF FUNDING AVAILABILITY

## 2004 Emergency Shelter Grants (ESG) and Rural Homeless Initiative Programs

### INTRODUCTION AND PURPOSE

- The Michigan State Housing Development Authority (MSHDA) will distribute an *estimated* \$7.5 million in funding through its Emergency Shelter Grants (ESG) Program -- including Rural Homeless Initiative (RHI) Grants) -- in Fiscal Year 2004. This Notice of Funding Availability (NOFA) describes the process through which these funds will be allocated to communities and awarded to local recipient organizations.
- This program offers financial assistance to public and non-profit organizations that are responding to the needs of homeless populations through a comprehensive community-wide Continuum of Care planning process and implementation strategy.
- These funds are intended to support outcomes that increase individual and family stability, assure personal safety, enhance economic self-sufficiency, and establish and help sustain housing permanency for homeless populations.

### HIGHLIGHTS OF 2004 NOTICE OF FUNDING AVAILABILITY

- 1) **Application Due Date:** The due date for ESG and RHI *Program Applications* and *Continuum of Care Planning Update* submissions is February 26, 2004 (postmark date).
- 2) **Continuation of Funding for Emergency Shelter Grant Programs:** Funding allocated to each Continuum of Care area will remain unchanged in FY 2004. It is MSHDA's expectation that local Continuum of Care program funding will generally follow recommendations determined through the FY 2003-2005 planning process, submitted in February of 2003. Revisions to these recommendations will, however, be allowed – at the discretion of the local Continuum planning body.
- 3) **Continuation of Funding for Rural Homeless Initiative Grants:** While there will be no new funding available in this cycle to support expansion of our Rural Homeless Initiative, continuation funding for all pilot programs initiated in 2002 and/or 2003 will be available (in addition to local Continuum allocations) – contingent upon documentation of acceptable progress by the funded programs and recommendation of the local Continuum of Care body.
- 4) **Continuum of Care Planning Update:** All Continuum of Care areas will be required to submit the *2004 Continuum of Care Planning Update (Exhibit 1)*. This document: a) provides updated information on community action plans and needs, b) re-affirms and/or revises program funding recommendations for FY 2004, c) supports an updated statewide point-in-time homeless populations count and gaps analysis, and d) provides MSHDA with statewide data that is required by the federal Department of Housing and Urban Development (HUD).
- 5) **Application for Funding for Current Emergency Shelter Grants Programs:** All current ESG program grantees will be required to submit the *2004 Program Application (Exhibit 2)*. Those grantees with NO changes to their funding requests (as originally submitted in 2003) will need only to submit Page 1 (Questions 1 & 2) of the *Program Application*, along with updated *Attachments* and *Certifications*. If agencies are requesting any changes in originally approved line item or category totals, submission of other relevant portions of the *Program Application* will also be required.

- 6) **Application for Funding for Current Rural Homeless Initiative Pilot Programs:** Renewal of existing Rural Homeless Initiative programs will require submission of the *2004 Program Application*, in accord with the same instructions that apply for continuing ESG Program grantees (see above).
- 7) **Minimum Funding Levels:** No new ESG funding application for less than \$5,000 will be accepted. In circumstances where a community desires to appropriate under \$5,000 to a local partner, sub-contractual agreements with another ESG grantee will be allowed. Currently funded grantees receiving less than this \$5,000 limit will be allowed to continue these grant agreements through the FY 2004-2005 funding cycle.
- 8) **Funding for Continuum of Care Coordination Expenses:** MSHDA's funding allocation to each Continuum of Care area will continue to include funding to help address costs associated with the Continuum coordinating process. This supplemental funding may also be used for other ESG-eligible expenses, and/or may be directed towards costs of community-wide implementation of the Michigan Statewide Homeless Management Information System (MSHMIS). Further details are described in the section on "Eligible Costs" (see Page 6).
- 9) **Funding for Implementing Costs for the Michigan Statewide Homeless Management Information System (MSHMIS):** ESG program funds may be used either by individual agencies (as "Operating Costs") or by the community as a whole (as "Continuum of Care Coordinating Costs") to support local HMIS implementation. "Balance of State" communities (those communities that do not submit Targeted Homeless Assistance/Continuum of Care funding requests directly to HUD) will be eligible for a supplemental community-wide stipend to help support local implementation. These funds will be awarded to an identified local HMIS Coordinating agency (through a separate funding process) at the time of the community's implementation. Details on this process will be issued separately.

## **ASSIGNMENT OF TARGET FUNDING ALLOCATIONS FOR CONTINUUM OF CARE AREAS**

*Two-year target funding allocations for each local Continuum of Care area were announced in FY 2003-2004. These levels will continue, unchanged, in FY 2004-2005. Verification of these target funding projections can be confirmed through your community's assigned Community Development Specialist.*

## **POTENTIAL ALTERATIONS OF TARGET FUNDING PROJECTIONS**

Because Congress has not completed its Fiscal 2004 budget deliberations – and in light of other factors that might impact on the total of funding available – our target funding allocations must be seen as tentative. Should it be necessary to alter your Continuum's target funding allocation following submission of the *2004 Continuum of Care Planning Update*, MSHDA will equally and proportionally adjust funding amounts for all projects recommended in the *Planning Update* to account for any required variation.

## **FUNDING TERM**

While the Office of Community Development has shifted to a two-year funding cycle for our Emergency Shelter Grants program, formal grant agreements will continue to be issued for one year terms (June 1, 2004 – May 31, 2005). Second year, or continuing, grant agreements for projects originally approved in 2003 will be based upon budget recommendations included in the community's *2004 Continuum of Care Planning Update*. This document will re-affirm and/or revise funding recommendations for 2004-2005. While we anticipate that most Continua will choose not to reconsider funding amounts approved in 2003, local recommendations may be altered at the discretion of the local Continuum of Care planning body. Reasons for altering these recommendations might include: failure to perform on the part of funded organizations, emergent opportunities or unanticipated needs at the local level, and/or other changes in local prioritization.

## HOW TO APPLY

The application for 2004-2005 ESG and RHI funding includes two primary components – the *Continuum of Care Planning Update (Exhibit 1)* and the *Program Application (Exhibit 2)*.

The Continuum of Care planning body must submit one funding plan on behalf of the entire community. Eligible homeless service programs may only submit *Program Applications* for projects and funding amounts that are recommended through their local Continuum process. These recommendations must be specified in the *2004 Continuum of Care Planning Update (Exhibit 1)* submitted to MSHDA.

### **2004 Continuum of Care Planning Update (Exhibit 1)**

The *Continuum of Care Planning Update* updates the local Continuum of Care plan originally submitted in February of 2003. This document: a) provides updated information on community action plans and needs, b) re-affirms and/or revises program funding recommendations for FY 2004, c) supports an updated statewide point-in-time homeless populations count and gaps analysis, and d) allows MSHDA to compile statewide data that is required by the federal Department of Housing and Urban Development (HUD). **Only** the community's **Continuum of Care planning body submits** this comprehensive planning document.

The **Continuum of Care** planning body must **submit one (1) original and four (4) copies** of the *2004 Continuum of Care Planning Update (Exhibit 1)* to MSHDA by the postmark deadline of February 26, 2004.

### **2004-2005 Program Application (Exhibit 2)**

Each agency applying for ESG funding must submit their own *Program Application* directly to MSHDA – in accord with recommendations determined through the local Continuum process. This exhibit asks each program to describe the eligible activities and budgeted expenses that are being proposed. It also serves as the basis for the contract between MSHDA and each funded organization. Agencies may only submit requests in the amount recommended by their local Continuum of Care.

While EVERY agency requesting funding for FY 2004-2005 must submit the *Program Application*, programs whose funding awards are unchanged from 2003-2004 need only respond to the first two sections of the *Program Application*, along with signed and updated attachments and certifications. The *2004 Program Application* includes four (4) required *Attachments*:

- *Certification of Local Approval by Local Authorities;*
- *Certification of Basic Standards for Emergency Shelters and Transitional Housing;*
- *Certification of Compliance with Administrative Standards; and*
- *Required Organizational Documentation Updates*

All currently funded Rural Homeless Initiative programs must follow these same instructions for program renewal.

Each program applicant must submit **one (1) original and one (1) copy** of the *Program Application (Exhibit 2)* to MSHDA by the **postmark deadline of February 26, 2004**. Only one (1) copy of required attachments will be needed.

## ELIGIBLE APPLICANTS

Only organizations that are serving HUD-defined homeless persons (see definition in the section below) and that are involved in a recognized Continuum of Care planning process are eligible to receive MSHDA Emergency Shelter Grant and Rural Homeless Initiative funding. Eligible program applicants include:

- All local units of government; and

- Public and private non-profit agencies with *at least one year of experience* in providing services and/or shelter specifically targeted to homeless persons.

If the applicant is a non-profit organization, it must be incorporated as a public or private non-profit agency in the State of Michigan as of the application date.

Faith-based non-profit organizations are eligible to apply but must comply with rules and restrictions regarding primarily religious institutions established in HUD's governing regulations.

All applicant organizations must have direct experience in delivering services to homeless populations for at least one (1) year prior to the application deadline. Programs that do not meet this standard may receive funding through an approved fiduciary relationship with an eligible ESG program grantee. Please contact your Community Development Specialist for assistance in this regard.

## **DEFINING ELIGIBLE HOMELESS PERSONS FOR PURPOSES OF ESG FUNDING**

To be eligible for ESG funding, the applicant and its proposed programs or services must serve homeless persons as defined by the Department of Housing and Urban Development (HUD).

Homeless persons are defined by HUD as those who are sleeping in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings, or those who are sleeping in an emergency shelter as a primary nighttime residence. Persons may also be considered as homeless if they:

- Are living in transitional or supportive housing for homeless persons but originally came from the streets or emergency shelters;
- Ordinarily sleep in transitional or supportive housing for homeless persons but are spending a short time (30 consecutive days or less) in a hospital or other institution;
- Are being discharged within a week from institutions in which they have been residents for more than 30 consecutive days and no subsequent residences have been identified and they lack resources and supportive networks needed to obtain access to housing;
- Are fleeing from domestic violence and no subsequent residences have been identified and they lack resources and supportive networks needed to obtain access to housing; or
- Are being evicted within a week from private dwelling units and no subsequent residences have been identified and they lack resources and supportive networks needed to obtain access to housing.

## **CLARIFICATION OF PROGRAM ELIGIBILITY**

The criteria addressed in the sections above should provide sufficient guidance for local Continuum bodies to make appropriate determinations of program eligibility. If there are issues of current performance or capacity that might affect the eligibility of specific providers in your area, MSHDA will notify the Continuum (both verbally and in writing) in a timely manner. Special circumstances or questions regarding eligibility may be referred to your Community Development Specialist for clarification.

## **FOCUS OF MSHDA's ESG FUNDING**

MSHDA ESG funds are intended to support the continuation of effective homeless services within the context of a comprehensive community-based plan. We realize that many providers of homeless services are in consistent need of resources simply to maintain operations. As such, MSHDA ESG funds can assist communities in sustaining stable delivery of emergency, transitional, and prevention services for homeless populations – insofar as recommended projects continue to provide high-quality services that are consistent with the community's Continuum of Care plan.

## **USE OF MSHDA FUNDS FOR HUD/SUPPORTIVE HOUSING PROGRAM (SHP) CASH MATCH**

Communities seeking to help local projects address HUD's requirement for matching funds for supportive services, transitional housing or permanent supportive housing operations, and HMIS implementation under the McKinney-Vento Supportive Housing Program (SHP) may utilize MSHDA's ESG funding to help fulfill these obligations.

## **STANDARDS FOR MSHDA ESG FUNDING**

MSHDA staff will review all local funding recommendations to assure that they appropriately address:

- Stability of currently funded programs and services that can demonstrate consumer impact, positive performance records, and cost-effectiveness;
- Justification for any significant shift of funding to or from currently funded projects;
- Justification for exclusive funding of single agencies within a Continuum of Care area;
- Clarity of the relationship between gaps analysis and programs identified for funding; and
- Demonstration of appropriate strategies for monitoring of current local funding recipients.

## **SUBMISSION OF UPDATED ESG FUNDING RECOMMENDATIONS**

Each Continuum will be required to submit updated recommendations for FY 2004-2005 funding distributions based on its target allocation. **All Continua, however, may choose simply to re-affirm funding decisions submitted in 2003.** It is MSHDA's intent that local planning groups generally will NOT reconsider their original two-year funding recommendations. Continua, however, will be allowed to alter these recommendations, at their discretion, in order to address changing needs at the local level, poor performance by local agencies, or underutilization of 2003-2004 funds. MSHDA reserves the right to alter all recommendations based on issues of prior applicant performance, applicant capacity, eligibility of project activities, and consistency with the criteria and standards discussed herein.

## **ELIGIBLE USES FOR ESG FUNDS**

### **Operating Expenses**

These are expenses associated with the operation of a shelter, transitional housing, or related service facility, including (but not limited to) insurance, rent, food, utilities, telephone/cell phone service, internet expense, furnishings, office/computer equipment, agency vehicles, staff transportation, and maintenance and repair of facilities. This category can also include costs of agency-specific participation in Homeless Management Information System (HMIS) implementation – e.g., computer equipment, *ServicePoint* licensing, and internet connectivity. Costs of operating staff (e.g., bookkeeping staff, clerical staff) are also allowable, up to 10% of the total MSHDA grant award. Other administrative expense (including audit expenses are NOT) allowable in this category.

### **Essential Services**

These are expenses for staffing and other related direct assistance costs associated with provision of supportive services in shelter and transitional housing, or other housing-related supportive services activities. Eligible expenses include (but are not limited to) both program and direct assistance costs which support case management, follow-up, housing and rentership skills, housing search and relocation, child care, parenting education, budgeting, employment, health care, substance abuse, education, children's services, and client transportation activities. Staffing costs associated with delivery of homeless prevention assistance should also be reflected in this category.

## Homeless Prevention

This category is used for direct financial assistance to prevent the occurrence/recurrence of homelessness, including (but not limited to) one-time subsidies to help defray rent or utility arrearage for households that have received eviction or utility termination notices; payment to prevent a home from falling into foreclosure; payment of first month's rent to permit a homeless family to move into their own dwelling; payment of utility arrearages to enable a homeless household to move into permanent housing; and mediation programs for landlord/tenant disputes. Please note: Expenses for staffing for Homeless Prevention activities are allowable in the ESG Program, but these must be identified under the Essential Services category (above).

## Continuum of Care Coordinating Expenses

MSHDA allows a portion of its state-based ESG funding to be used for *expenses associated with Continuum of Care coordinating activities*. These might include costs of printing and postage, expenses that enable more active consumer participation in the Continuum process, and other related travel, meeting, planning, or coordinating costs. Costs for time and fringes of a coordinating staff role will also continue to be eligible. While there is no programmatic limit for these expenses, communities are encouraged to be thoughtful in their consideration of funding levels for this purpose.

Costs for *community-wide implementation* of the Michigan Statewide Homeless Management Information System (MSHMIS) are also acceptable under this category. This includes costs of training, coordination, technical assistance and implementing support. It might also include centralized reimbursement for community-wide costs of software licensing, internet connectivity, and related hardware.

*Only one Continuum Coordinating grant per Continuum of Care body* will be considered. The applicant can be any public or private non-profit agency participating in the Continuum of Care planning process and designated by the Continuum as the applicant for these purposes.

## MINIMUM FUNDING LEVELS

No new funding request for less than \$5,000 will be accepted. In circumstances where a community desires to appropriate under \$5,000 to a local partner, sub-contractual agreements with another ESG grantee will be allowed. Currently funded grantees receiving less than the \$5,000 limit will be allowed to continue to continue these grant agreements through the FY 2004-2005 funding cycle.

## MATCHING FUNDING REQUIREMENTS

Local matching funds are NOT specifically required for MSHDA ESG program support in FY 2004-2005. Submission of the program's current operating budget, indicating both SOURCES and USES of funding (as part of the required *Organizational Documentation Update -- Attachment II-D*), will address this concern.

## CERTIFICATION OF LOCAL APPROVAL

Each *Program Application* requires submission of a *Certification of Local Approval (Attachment II-A)*, documenting that the proposed project is supported by the local unit of government where the project activities are delivered. The highest elected official, or the representative duly authorized by that official, must complete this form (see). For agencies serving multiple jurisdictions, it will be sufficient to submit only one signed certification from the area in which the agency's primary office is located.

## EMERGENCY SHELTER AND TRANSITIONAL HOUSING STANDARDS CERTIFICATION

All organizations receiving ESG funds must abide by established emergency shelter and transitional housing standards that pertain to personnel, facilities, food service, health, and operations issues. This requirement applies to all ESG funding applicants who are operating shelter or TH programs, whether or not they are receiving MSHDA funding for shelter or transitional housing operations. Monitoring by MSHDA staff will review compliance with these basic standards, and funding may be withheld or withdrawn for failure to comply. Each applicant agency must submit a certification of compliance with these basic standards (*Program Application: Attachment II-B*).

## **ADMINISTRATIVE COMPLIANCE CERTIFICATION**

All programs receiving ESG funding must abide by established HUD and MSHDA administrative regulations. These include fair housing, lead paint, equal opportunity, drug-free workplace, and HMIS obligations. Each applicant must submit a certification of compliance with these administrative rules (*Program Application: Attachment II-C*).

## **ORGANIZATIONAL DOCUMENTATION UPDATE**

Each agency must submit an *Organizational Documentation Update: Attachment II-D*.

## **SUBMISSION OF CONTINUUM PLAN TO LOCAL MULTI-PURPOSE COLLABORATIVE BODIES**

The Homeless Programs application process also requires submission of a form certifying that the prior year's Continuum of Care Plan has been received and reviewed by the local Multi-Purpose Collaborative Body (MPCB) at some point in the prior twelve-month period (February 1, 2003 - present). This form is included as *Attachment I-A* to the *2004 Continuum of Care Planning Update*. It is not our intent that the MPCB must approve or endorse this submission. It is our belief, however, that the planning process for an effective Continuum of Care will include active dialogue and increasing coordination with local human services through these collaborative bodies.

## **GENERAL PROGRAM REQUIREMENTS FOR EMERGENCY SHELTER GRANT RECIPIENTS**

A MSHDA-funded homeless service provider must comply with all of the program requirements that follow:

- Provide directly, or through referral, all supportive services essential for consumers to find and maintain stable housing (e.g., assistance in obtaining permanent housing, medical and mental health treatment, counseling, and other case management services);
- Maintain all program, facilities, and operational standards specified in the *Emergency Shelter and Transitional Housing Shelter Standards Certification*;
- Provide regular and timely progress and outcome reports as prescribed by MSHDA;
- Participate in the Michigan Statewide Homeless Management Information System, in accord with standards and timelines to be established by MSHDA;
- Provide reports on performance outcomes using standardized language that enables common reporting statewide;
- Comply with all audit, monitoring, and administrative requirements of HUD and MSHDA -- including those related to non-discrimination, equal opportunity, fair housing, and lead paint regulations; and
- Administer in good faith a policy to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries and/or staff.

## **STANDARDS FOR THE CONTINUUM OF CARE PLAN AND PROCESS**

Over the past several years, MSHDA has provided training and disseminated related materials that emphasize basic standards and critical elements of the Continuum of Care process. The *Continuum of Care Planning Update (Exhibit 1)* provides a specific format for presentation of information updating the two-year Continuum plan.



MSHDA's review process will assess local planning for consistency with the following standards:

- Continuum planning addresses all elements of a strategic and comprehensive approach to homelessness prevention, outreach, emergency shelter and transitional housing, essential services, and permanent supportive housing --- not just those projects relevant for MSHDA ESG or HUD/SHP funding requests. These program elements must respond to the needs of diverse homeless populations, help these persons move to and maintain stable housing, and help increase their independence and self-sufficiency. *While many communities will not have the resources required to support local facilities or programs that address all of these needs, every community should have a strategy that enables homeless individuals and/or families to be referred to or receive these services from an accessible resource.*
- The Continuum has a well-defined structure for managing and coordinating its ongoing planning and development activities.
- There are a wide and diverse array of stakeholders actively involved in the Continuum of Care planning process -- including but not limited to homeless services providers working with all local homeless sub-populations, other non-profit human services providers, consumers, financial institutions, housing developers, public housing authorities, mental health providers, Family Independence Agency representatives, educators, food banks, health care providers, and local funders. It is increasingly important that communities assure necessary breadth and depth of participation of local stakeholders in their planning process.
- The Continuum seeks out and supports meaningful consumer input in program planning, evaluation, and prioritization.
- The Continuum utilizes a fair and equitable process for inclusion of relevant stakeholders and applicant agencies in all facets of Continuum planning and decision-making -- *including* the process of determining funding recommendations. While MSHDA recognizes that this may increase the difficulty of the planning process in some instances, we are committed to this model of provider-driven planning and decision-making.
- The Continuum has developed thoughtful and achievable short-term action plans for responding to homelessness in their local community.
- The Continuum has developed thoughtful planning for ending chronic homelessness over the coming decade.
- Continuum of Care activities are actively integrated with other mainstream resources and collaborative planning processes. This should include, wherever relevant, the HUD Consolidated Plan, Public Housing Authority plans, the local Multi-Purpose Collaborative Board process, and other McKinney Act programs in the local community (e.g., Veterans Affairs, HOPWA, Education for Homeless Youth, etc.).
- The Continuum of Care documents other mainstream funding included in addressing priorities and needs (e.g., FIA, Mental Health, Career Development, Section 8, municipal funding, foundation funding, etc.).
- The Continuum has developed a comprehensive funding strategy for homeless response that utilizes diverse funding streams to support its action plans and priorities.
- The Continuum has demonstrated commitment to conducting a meaningful "point-in-time" count and gaps analysis.
- The Continuum continues to work throughout the year to coordinate needs assessment, strategic planning, program and resource development, service delivery, and program evaluation.

- The Continuum has a meaningful strategy for monitoring the progress and effectiveness of the programs it recommends for funding and the action plans it designs.
- The Continuum has a long-term plan for developing and implementing a community-wide Homeless Management Information System.

## **DISTRIBUTION OF ELECTRONIC VERSIONS OF APPLICATION MATERIALS**

An electronic version of this NOFA and all related application forms will be posted on the MSHDA web-site ([www.michigan.gov/mshda](http://www.michigan.gov/mshda)). These materials will also be available through e-mail or on disk upon request through your area's Community Development Specialist.

## **FURTHER INFORMATION AND TECHNICAL ASSISTANCE**

If you have any questions regarding this *Notice of Funding Availability*, please contact the Community Development Specialist assigned to your area.